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ALA in San Diego

The Gathering of the Tribe

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ALA's Annual Tribal Gathering — 24



Cartoon raconteur Roscoe P. Nubbins, lively NAVRESSO aide-de-camp, surrounded by ALA convention life.

DECEMBER 1989

VOL. 40, NO. 12

News

☐ Detailed recommendations from Jones Commission's report are HERE. ☐ New commanders announced for AFCONS and NAVRESSO. ☐ Childcare centers to debut at Marine commissaries. ☐ AAFES turns on the juice for its satellite network. ☐ State Department holds a regional conference. ☐ Cofer predicts trouble for resale agencies. 6

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COVER PHOTOS BY RICH MASON. DESIGN BY CRISTINA RIVERO

On the cover — The San Diego Marriott Hotel & Marina, site of 42nd annual ALA convention, where featured speakers included U.S. Rep. Marvin Leath, D-Texas (top) and Williston B. Cofer, Jr., staff member on the House Armed Services Committee.

Military Market

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Military Market Index

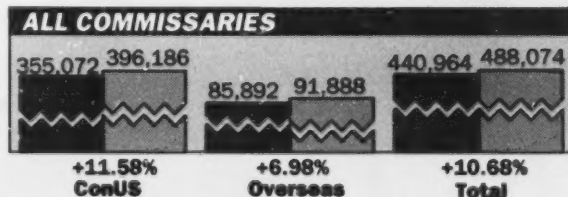
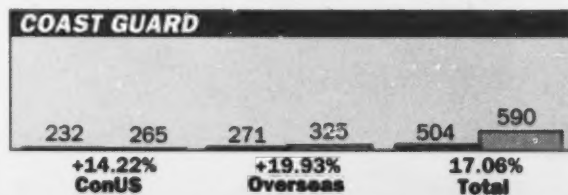
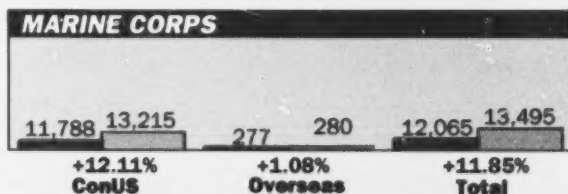
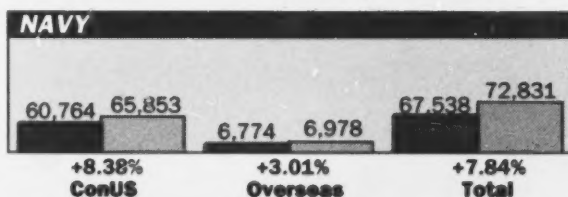
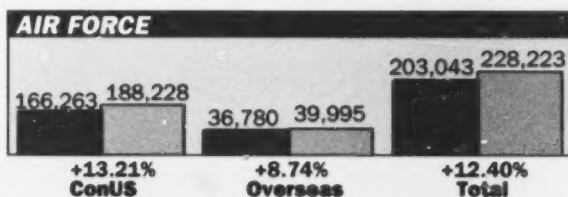
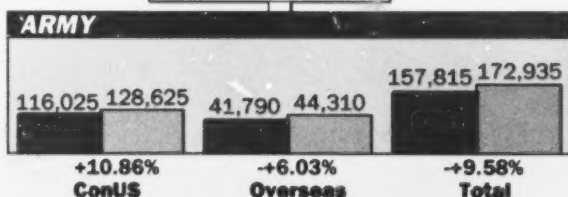
All figures in dollars

August '88 August '89

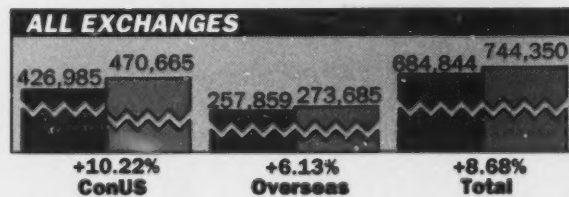
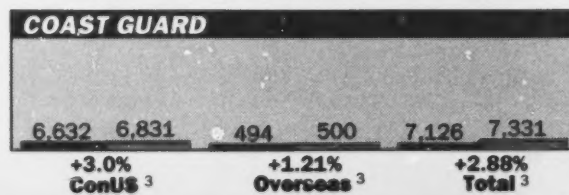
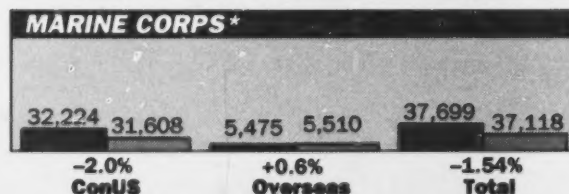
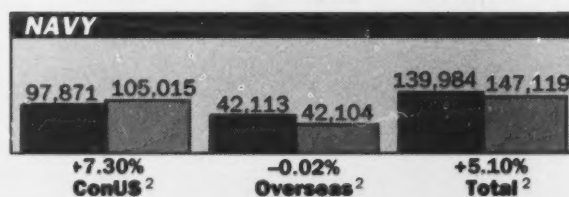
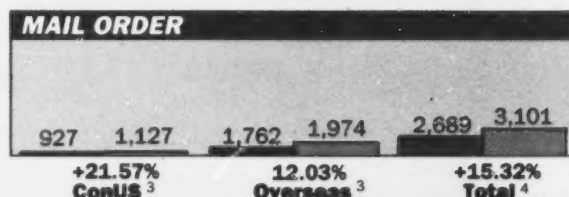
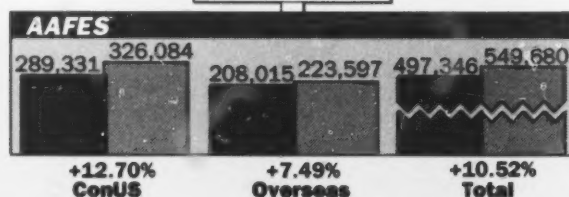
HOW THEY STACK UP



COMMISSARIES



EXCHANGES



1) Source: U.S. Department of Commerce. 2) Does not include sales of ship stores. 3) MM estimate, based on official data. 4) Includes consolidated sales for all services, including Coast Guard. NOTE: Individual figures may not add to totals because of rounding. All sales are expressed in thousands (000), except grocery stores and department stores, which are in billions. Commissary sales include appropriate surcharges; exchange sales include concession volume.

*Because of MWR consolidation, Marine Corps exchange sales in 1989 are not comparable to 1988 sales.

Marty Baumann

Pet Food Sales Leap-frog

MARKET REPORT by Marie Ferrey, Associate Editor

Tired of dog days in the canine meal market, pet food manufacturers are now trying to please feline appetites. Companies recognized for their dog food products — including Alpo, Carnation, Heinz, and Purina — are clawing their way into the cat food business.

And with good reason . . . While the dog population has remained flat in the past decade (at about 50 million), the cat population keeps growing. According to Alpo marketing executives, last year there were more than 57.3 million cats and 27.5 million cat-owning households in the country. In four years, the number of cats is expected to leap to 63.8 million, and there will be more than 30 million homes where cats live.

DOGS vs CATS

	1980	1986	1987	1988
Dog households	40.0%	38.7%	37.2%	37.0%
Cat households	24.1%	29.4%	30.0%	30.0%
Dogs (millions)	46.1	51.6	49.4	49.9
Cats (millions)	36.8	56.2	57.8	57.3

Source: 1988 Maxwell Report

Aside from the appeal of their self-sufficient character, the increasing popularity of cats is attributed to various factors, among them the rise in two-income families, the increase in urban populations, and the growing number of renters versus home owners. With low maintenance needs, cats are perfect pets for busy households.

Overall, the pet food industry grew modestly in 1988, up 3 percent to about \$5.9 billion. Cat food led market growth, jumping 3.8 percent, while dog food tagged along with a 2.45 percent increase.

In commissaries, the overall pet food category grew 1.1 percent, to \$87.7 million, in a 12-month period ending in August 1989, according to Military Audits of Market Information.

Reversing civilian trends, cat food sales went up just 0.5 percent during the same period, topping \$33 million. Dog food sales climbed 1.5 percent, to about \$54 million. A MAMI executive says the market research organization doesn't know why the military trend is opposite the civilian. They "have no clue," said Leland Maines, MAMI's executive vice president.

MAMI data shows that dry cat food sold better than wet or semi-moist varieties, increasing 4.1 percent to \$12.3 million. Semi-moist dropped 9.2 percent to \$3.23 million, while wet types decreased 0.14 percent to \$18.2 million.

The best-selling cat foods in commissaries, based on 12-month sales ending in June 1989, are Purina Cat Chow, regular flavor (top sales in the dry category); Purina Happy Cat, regular flavor (best in the semi-moist category); and Carnation's Buffet, turkey & giblets flavor (best in the wet category), according to MAMI.

Dogs in military families, like cats, seem to prefer dry food. Dry dog food sales grew 5.1 percent to \$31.9 million, according to MAMI. Wet sales increased a modest 0.35 percent to \$18.4 million, while semi-moist dropped 17.9 percent to \$3.6 million.

In the dog food category, the best selling brands in commissaries, ranked for the year ending in June 1989, were: Purina Moist & Meaty, burger & cheese flavor (best-selling semi-moist); Pet Alpo, beef chunks flavor (best-selling wet); and Purina Puppy Chow, regular flavor (best-selling dry), MAMI reports.

Though civilian and military pet food sales were virtually flat last year, in both the civilian sector and in the military, premium pet foods have flourished. Civilian sales of canned ultra-gourmet cat food rose 16.8 percent, to about \$283 million for the year ending in January 1989, according to Arbitron/SAMI, a marketing research division of Control Data Corp.

WET vs DRY

	DOGS		CATS	
	Millions	Percent	Millions	Percent
Dry food	\$2,041	35%	\$792	13%
Treats	430	7%	20	1%
Canned	920	16%	1,261	21%
Moist	192	3%	217	4%
TOTALS	\$3,583	100%	\$2,290	100%

Source: Alpo Pet Foods

Gourmet pet food sales are also booming in commissaries. Gourmet cat food products, including Sheba, Amore, Fancy Feast, and Fresh Catch, grew 8.9 percent in dollars for the year ending in August 1989. Gourmet dog food sales, including brands such as Grand Gourmet, King Kuts, Pedigree, and Mighty Dog, jumped 6.2 percent during the same period, MAMI data shows.

Other foods showing great growth potential are dog and cat treats, industry analysts say. In 1988, dog treats gained 8.4 percent in sales, to \$430 million, on about a 5 percent increase in unit volume. The growth is expected to continue.

Although still a relatively small segment of the market, cat treats grew 18.8 percent in 1988 to \$29.6 million, according to SAMI/Burke data. The market, which has been dominated for some time by Quaker Oats' Pounce and E-I Holdings' Bonkers, has witnessed new introductions, including Heinz's Finicky Bits and Purina's Whisker Lick-in's, both launched in 1988.

Industry analysts say pet snacks sell well because people like to "humanize" their animals. Snacks also make owners feel less guilty when they don't spend much time with their animals, a factor when pets are left alone at home due to busy work and social lives.